

GAO

Report to the Chairman, Committee on
the Budget, House of Representatives

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BUDGET ISSUES

Fiscal Year 1994 Budget Estimates and Actual Results



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Accounting and Information
Management Division

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The Honorable John R. Kasich
Chairman, Committee on the Budget
House of Representatives

Dear Mr. Chairman:

Budget estimates seldom reflect actual year-end results. However, accuracy of budget projections is important to achieving fiscal responsibility in the federal government. Identifying and understanding recurring patterns among variations between estimates and actual results can facilitate future budget decision-making and deficit reduction efforts.

This report responds to your request that we compare the Office of Management and Budget's (OMB) original and revised estimates of the deficit, receipts, outlays, and economic assumptions with the actual fiscal year 1994 results. This is the fourth in a series of annual reports¹ that identifies large differences between budget estimates and actual results and highlights the factors that have led to these differences. It is also the third year in which we examined account-level budget estimates. This report has the additional objective of looking at the trends in estimates for receipts, outlays, and economic assumptions over the 4-year period of fiscal years 1991 through 1994.

Results in Brief

At \$203.2 billion, the federal budget deficit for fiscal year 1994 proved \$60.9 billion, or 23 percent, lower than the level estimated when the budget was submitted in April 1993. Lower-than-estimated outlays, in part a result of better-than-expected economic performance, are largely responsible for the difference.

The economy in fiscal year 1994 was stronger in several dimensions than OMB predicted in April 1993. Although OMB's assumptions did not differ significantly from the forecast made by the Congressional Budget Office (CBO) or the Blue Chip consensus of forecasters,² the Gross Domestic Product (GDP) grew faster than all anticipated, while inflation and

¹Budget Issues: Fiscal Year 1993 Budget Estimates and Actual Results (GAO/AIMD-94-68, February 4, 1994), Budget Issues: A Comparison of Fiscal Year 1992 Budget Estimates and Actual Results (GAO/AFMD-93-51, February 12, 1993), and Budget Issues: 1991 Budget Estimates: What Went Wrong (GAO/OCG-92-1, January 15, 1992).

²Eggert Economic Enterprises, Inc., publishes monthly the Blue Chip Economic Indicators, a summary of major private sector estimates.

unemployment rates were lower than expected. These differences helped reduce outlays and raise revenues from the 1993 estimates.

Although fiscal year 1994 revenues of \$1,257.7 billion were only \$6.5 billion higher than originally estimated, the totals mask significant offsetting differences for particular types of receipts. Corporate income tax receipts surged 16.7 percent beyond estimates as a consequence of better-than-expected economic growth and an increase in corporate profits as a share of national income. Individual income and social insurance tax receipts were somewhat lower than anticipated primarily because changes to the tax code created incentives, especially for high income taxpayers, to shift their tax liability from 1994 to 1993 or defer some to 1995 and 1996. This small percentage decline from the original estimate of taxes owed by individuals almost entirely offset the corporate tax increases.

Outlays for fiscal year 1994 were \$1,460.9 billion, \$54.4 billion less than estimated in the President's budget submission. As in prior years, a number of increases and decreases in different accounts occurred. But unlike prior years, no single area, such as deposit insurance, exerted a dominant impact. The largest dollar decreases from the outlay estimates can be attributed to deposit insurance, interest on the public debt, and health care programs (Medicare and Medicaid), all large accounts. The largest dollar increases over the original estimates are in the Defense Business Operations Fund (DBOF) and disaster relief activities.

Our systematic review of accounts over the last 4 years disclosed that revolving funds have presented perennial estimating problems as evidenced by significant percentage differences between estimates and actuals. This may be due in part to financial management problems as in the Defense Business Operations Fund or the nature of revolving funds where collections are used to offset outlays.

Background

The time from submission of the President's annual budget, which contains the first official estimates for a fiscal year, to the completion of that fiscal year spans nearly 2 years. For any given budget, the congressional budget process begins with the presentation of the President's budget request to the Congress. The President must submit his budget for the fiscal year beginning on October 1 of that year to the Congress no later than the first Monday in February. These budget estimates are subsequently revised as part of the budget request for the

upcoming fiscal year. These revisions reflect updated technical and economic assumptions as well as policy changes resulting from enacted legislation. Also, midsession reviews conducted during the summer, usually in July, also update budget estimates prior to the completion of the current fiscal year.

The President transmitted the account level details for his fiscal year 1994 budget request to the Congress in April 1993.³ He presented detailed estimates of receipts and outlays and a total deficit estimate of \$264.1 billion. In the President's fiscal year 1995 budget request submitted to the Congress in February 1994, the fiscal year 1994 deficit estimate was revised downward to \$234.8 billion. On October 28, 1994, the Department of the Treasury released the Final Monthly Treasury Statement of Receipts and Outlays of the United States Government (MTS) for fiscal year 1994, which reported the actual 1994 deficit of \$203.4 billion. The President transmitted his fiscal year 1996 budget to the Congress on February 6, 1995. In this document, the actual fiscal year 1994 deficit was reported at \$203.2 billion.

On August 10, 1993, the President signed into law the Omnibus Budget Reconciliation Act of 1993 (OBRA 93). The act was estimated to reduce the budget deficits in 1994 through 1998 by a total of \$504.8 billion through spending cuts of \$254.7 billion and revenue increases of \$250.1 billion.

Objectives, Scope, and Methodology

The objectives of this study were to (1) identify receipt and outlay components or accounts which experienced large variations between original estimates and actual results for fiscal year 1994, (2) determine in the fiscal years covered by our series of lookback reports (fiscal years 1991-1994) what factors contributed to these changes, and (3) assess whether there are any patterns in the variations between estimates and actuals.

To identify large differences between original fiscal year 1994 estimates and actual results, we compared estimates to actual results both in the aggregate and on an account-level basis. To identify variations on an aggregate basis, we examined receipt, outlay, and the resulting deficit estimates included in the original and revised budget estimates to the

³Budget of the United States Government, Fiscal Year 1994, April 1993, Executive Office of the President, Office of Management and Budget. In addition, the budget documents included A Vision of Change for America, dated February 17, 1993, and various parts from Budget Baselines, Historical Data, and Alternatives for the Future, issued by the previous administration, on January 6, 1993.

actual 1994 results reported by the Treasury and OMB.⁴ Throughout this report, we will refer to the April 1993 and February 1994 estimates as OMB's original and revised estimates, respectively.

For detailed analysis of receipts, we focused on the Treasury's estimates for seven "receipts source" categories in the President's budget request and Treasury's final MTS. We obtained explanations of the differences from Treasury.

To analyze outlays on an account-level basis, we obtained data from OMB's MAX budget system and its predecessor Budget Preparation System—the automated system used to collect and process information for the President's budget request. Using these data, we identified 187 accounts that collectively represented 95 percent of OMB's revised estimate of gross outlays. For each account, we compared OMB's original and revised net outlay estimates to the actual outlay data from Treasury and OMB. Appendix II displays the original and revised estimates and the actual outlays for the 187 accounts.

To determine the factors that contributed to the variations between the original outlay estimates and actual results for specific accounts, we interviewed OMB budget examiners and agency officials. We also reviewed the economic assumptions, policy proposals, and program information contained in the President's budget requests for fiscal years 1994 and 1995 as well as the midsession budget updates released in September 1993 and July 1994.

To analyze OMB's estimates of economic conditions, we compared its April 1993 macroeconomic projections for calendar year 1994 to CBO and the Blue Chip consensus of private forecasters' projections and to the actual 1994 results. Appendix I displays the forecasts and the actual data.

To assess whether there were patterns of estimating problems, we analyzed differences between the revised estimates and the actual results for fiscal years 1991 through 1994. We focused on this comparison for two reasons. First, it minimizes differences attributable either to unenacted presidential proposals or to enacted congressional initiatives not included in the President's proposals. Second, it highlights accounts where estimating problems are the greatest—accounts where even estimates made in midfiscal year were not accurate. Appendix III lists major budget

⁴Our original analysis was based on the fiscal year results reported by the Treasury in the final MTS. We then updated the data to reflect actual results reported in the fiscal year 1996 budget issued on February 6, 1995.

accounts for which actual outlays differed by more than 10 percent from the revised estimates during at least 3 of the 4 fiscal years 1991 through 1994.

We did not attempt to verify the data discussed in this report which were obtained from the President's budget requests, the final MTS, or agency officials. We conducted our work from September 1994 through February 1995.

Deficit Less Than Originally Estimated

The \$203.2 billion fiscal year 1994 deficit represented a \$60.9 (23 percent) decline from the original April 1993 estimate, and was \$31.6 billion less than OMB's revised estimate. This pattern shows that although OMB expected the 1994 deficit to drop, it did not predict the magnitude of the decline. Table 1 gives the detail.

Table 1: Fiscal Year 1994 Aggregate Estimates and Actuals

Dollars in billions

	Original estimate	Revised estimate	Actual	Difference	
				Actual minus original	Percent of original
Receipts	\$1,251.3	\$1,249.1	\$1,257.7	\$6.5	0.5
Outlays	1,515.3	1,483.8	1,460.9	-54.4	-3.6
Deficit	\$264.1	\$234.8	\$203.2	\$-60.9	-23.1

Note: Small discrepancies may be due to rounding.

Source: Office of Management and Budget.

The actual fiscal year 1994 deficit represented a \$52.0 billion decline from the \$255.1 billion deficit for fiscal year 1993. A 3.7 percent growth in actual 1994 outlays over the fiscal year 1993 levels was offset by an even larger 9 percent growth in receipts from 1993 to 1994. The fiscal year 1994 deficit was the lowest since the \$152.5 billion recorded for fiscal year 1989 and the second consecutive year that the deficit declined.

Economy Performed Above Expectations

OMB's economic assumptions underlying the fiscal year 1994 budget underestimated actual economic performance. The unanticipated strength in the economy for fiscal year 1994 explains much of the differences between estimated and actual receipts and outlays. OMB underestimated GDP growth and overestimated both inflation (as measured by the

Consumer Price Index (CPI) and the unemployment rate. For calendar year 1994, actual long-term interest rates were slightly higher than OMB's April 1993 estimate while actual short-term rates were slightly lower than the April 1993 estimate. The effect of these interest rate increases were not fully reflected in the interest on the public debt. Table 2 compares OMB's original assumptions with actual 1994 results.

Table 2: Comparison of OMB Economic Assumptions and Actual Results

	Estimate	Actual	Actual minus estimate
Real gross domestic product (percent change, 4th quarter over 4th quarter)	3.3	3.7	.4
Consumer price index (percent change, 4th quarter over 4th quarter)	3.1	2.9	-.2
Unemployment rate, civilian (annual average)	6.4	6.1	-.3
Long-term interest rate (10-year)	6.6	7.0	.4
Short-term interest rate (91-day)	4.3	4.25	-.05

The Council of Economic Advisers, with Treasury and OMB, prepares the economic forecasts that are used in developing the President's budget request. Estimates of major macroeconomic indicators that affect outlays and receipts are included in the budget documents. CBO and private forecasters also develop estimates of these indicators (as shown in appendix I). The administration's economic projections were generally close to those of CBO and the Blue Chip consensus of private forecasters.

During the fiscal year 1994 budget cycle, the performance of the economy had a positive impact on the budget. The growth in GDP for 1994 was 3.7 percent compared to the original estimate of 3.3 percent. The higher-than-anticipated economic growth was accompanied by lower-than-anticipated unemployment and lower-than-anticipated inflation as measured by the CPI. Strong economic growth and low unemployment increased receipts and reduced expenditures for some mandatory programs.

Interest rates on 3-month and 10-year Treasury notes were close to or slightly above OMB's April 1993 estimates. Although the actual annual averages for long- and short-term interest rates approximated the original estimates, this average obscures the lower-than-estimated interest rates prevailing for the first half of fiscal year 1994 which lowered interest payments. Interest rates, as measured by the 3-month and 10-year Treasury yields, began increasing in the third quarter of the fiscal year, largely in

response to the Federal Reserve Board's six successive interest rate hikes in 1994. The rise in interest rates in the latter half of fiscal year 1994 did not increase the debt service cost of the nation's debt above the original estimate and did not substantially reduce economic growth during the fiscal year. However, the effect of the rise in interest rates will affect the cost of borrowing in fiscal year 1995.

Offsetting Differences Kept Total Receipt Actuals Close to Estimates

Actual receipts for fiscal year 1994 were \$1,257.7 billion, just \$6.5 billion or 0.5 percent greater than the original estimate. This represents the smallest difference between overall receipt estimates and actuals in the 4 years we have examined them. This is the net result, however, of large offsetting variations among major receipt categories, in particular corporate income taxes and individual income taxes. Corporate income tax receipts were \$20.1 billion above estimated levels. Despite stronger-than-expected national economic growth, individual income tax receipts fell \$17.0 billion below original estimates. These results are shown in table 3.

Table 3: Receipt Estimates and Actual Results for Fiscal Year 1994

Dollars in billions

Receipt source	Original estimate ^a	Revised estimate	Actual	Difference	
				Actual minus original	Percent of original
Individual income taxes	\$560.0	\$549.9	\$543.1	-\$17.0	-3.0
Corporate income taxes	120.3	130.7	140.4	20.1	16.7
Social insurance taxes and contributions	465.0	461.9	461.5	-3.5	-.8
Excise taxes	51.4	54.6	55.2	3.9	7.5
Estate and gift taxes	12.7	12.7	15.2	2.5	20.1
Customs duties	21.3	19.2	20.1	-1.2	-5.6
Miscellaneous receipts	20.6	20.0	22.3	1.7	8.1
Total	\$1,251.3	\$1,249.1	\$1,257.7	\$6.5	.5

Note: Small discrepancies may be due to rounding.

^a Includes legislative proposals.

Source: Office of Management and Budget.

Corporate Income Taxes

Corporate tax receipts were 16.7 percent (\$20.1 billion) above original estimates, despite the fact that the original estimate assumed a tax rate

increase twice that enacted. The increase reflects both the unexpected strength of the economy in 1994 and the fact that corporate profits gained more from that economic growth than expected. Fiscal year 1994 represents the second year in a row that corporate receipts exceeded initial projections.

Growth in taxable corporate profits can be difficult to predict. First, growth rate changes in either corporate revenue or expenditures can create large percentage swings in net profit, thereby complicating forecasts. Second, not all net profit is taxable, and taxable income can vary considerably depending on the extent of available offsets. Consequently, the receipts from taxing corporate profits can vary tremendously from one year to another.

This observation appears consistent with recent federal experience, as depicted in table 4. Annual growth in corporate income has varied a great deal compared to that of the overall economy, and federal receipt estimates have been affected. In fiscal year 1993, actual corporate tax receipts exceeded estimates by about 14 percent, but in 1992 and 1991 estimates exceeded actuals by about 2 percent and 24 percent, respectively.

Table 4: Percentage Change in GDP, Growth in Corporate Profits, and Actual Corporate Income Tax Receipts Compared to Original Estimates

Percent change				
	1991	1992	1993	1994
Real GDP growth	-0.6	2.3	3.1	4.0
Growth in corporate profits	-0.1	8.4	16.8	16.4
Corporate income tax receipts actual to estimate	-24.3	-1.6	13.9	16.7

Individual Income Taxes

Individual income tax receipts fell below estimates for the fourth consecutive year, this time by 3.0 percent (\$17.0 billion). Since a stronger-than-expected economy would be expected to produce higher-than-expected receipts, the drop understates the gap. The positive effects of unforeseen economic growth were offset by three factors: (1) changes to proposed income tax increases assumed in the original estimate, (2) changes in the tax code that created incentives for taxpayers to shift income from the 1994 tax year, and (3) the fact that overall economic growth led to less-than-expected growth in wage income.

About \$10 billion of the \$17 billion shortfall can be attributed to changes to originally-proposed tax increases. In its April 1993 estimate, OMB assumed

enactment of tax proposals estimated to generate \$23.5 billion. The majority of these proposals were related to an increase in the tax rate for high income individuals. Although the rate changes were enacted, the final legislation allowed taxpayers to spread their increased liability over 3 years. This had the effect of shifting some tax receipts from 1994 to 1995 and 1996.

Other changes to the tax code may also have shifted tax collections away from fiscal year 1994. Taxpayers, particularly those in the top brackets, have significant discretion over when they recognize income for tax purposes and can adjust the timing of income recognition to reduce overall tax liability when tax laws change. For example, the removal of the Hospital Insurance (HI) wage cap created incentives for such taxpayers to shift income from the 1993 tax year to 1992, thereby reducing collections for fiscal year 1994.

Estimators believe that a variety of other factors also contributed to the remaining decrease. For example, as noted above, a slower wage growth explained at least some of this difference. The economy's unexpected strength did not reflect wage growth rates consistent with past experience. Corporate profits drove increases in national income to a much greater extent than wage income. Hence, the economy's unforeseen strength had only marginal effects on individual income tax receipts, although absent such strength, receipts would have been even lower.

Social Insurance Receipts

Not surprisingly, the weakness in wage growth also affected social insurance receipts. Actual social insurance receipts for fiscal year 1994 fell \$3.5 billion short of the original estimate. This is only a 0.8 percent drop and represents, for a revenue source this large, a near exact match of estimates with actuals.

However, this overall match masks offsetting changes. We were told, for example, that the positive effects of removing the HI wage cap and the unexpectedly strong economy were offset by the unexpectedly weak wage response to the strong economy.

Other Receipts

Other receipts for fiscal year 1994 totaled \$112.8 billion. These receipts included \$55.2 billion for excise taxes, \$20.1 billion in custom duties and fees, \$15.2 billion in estate and gift taxes, and \$22.3 billion for miscellaneous receipts. The difference between the actual receipts and

original estimates were the result of enacted legislation and strong economic conditions as described below.

- Excise taxes: The phase in of an increase in the transportation fuels tax and stronger than anticipated economic growth resulted in an increase of \$3.9 billion over the estimate.
- Custom duties and fees: A 1-year extension of the Generalized System of Preferences and the implementation of the North American Free Trade Agreement were responsible for the decrease of \$1.2 billion in duties collected compared to the estimate.
- Estate and gift taxes: The value of assets subject to inheritance and gift taxes was greater than anticipated, which resulted in a \$2.5 billion increase in estate and gift taxes.
- Miscellaneous receipts: Miscellaneous receipts are primarily composed of earnings on Federal Reserve assets. Higher than anticipated average interest rates and higher-than-expected asset values on securities denominated in foreign currencies increased earnings on Federal Reserve deposits by \$1.9 billion.

Outlays Less Than Expected in a Variety of Accounts

Actual fiscal year 1994 outlays of \$1,460.9 billion were \$54.4 billion lower than OMB's original April 1993 estimate. Unlike 1991 through 1993, when deposit insurance accounted for the bulk of the difference in outlays, there is no single component or account that dominates the reduction from the original estimates. Although deposit insurance still represents the largest dollar decrease (\$15.1 billion) from the original estimates, numerous others, such as interest on the public debt, Medicare, Medicaid, Guaranteed Student Loans, and Social Security, accounted for other large dollar reductions. These reductions were partially offset by outlays exceeding estimates for the Defense Business Operations Fund, Disaster Relief, and to a lesser extent, several other activities.

Deposit Insurance Outlays Less Volatile Than in Prior Years

Although the original estimates of deposit insurance outlays differed less from actual outlays in 1994 than in prior years, they still represent the largest difference between estimates and actuals of all the components or accounts in the budget. Actual results were outlays of \$-7.6 billion,⁵ a \$15.1 billion swing from the original outlay estimate of \$7.5 billion. Most of this change resulted from improvements in the financial condition of the banking and thrift industries due to favorable economic conditions, especially lower interest rates.

⁵Negative outlays occur when collections exceed spending.

Nearly all of the variation in the estimates occurred in three deposit insurance accounts: the Bank Insurance Fund (BIF), the Resolution Trust Corporation's (RTC) revolving fund, and the Savings Association Insurance Fund (SAIF). The other deposit insurance account that experienced a notable change is the Federal Savings and Loan Insurance Corporation Resolution Fund (FRF). As shown in table 5, the largest change occurred in BIF. Although there are variations in RTC and SAIF, these differences are mostly attributable to the timing of the RTC's transferring the resolution of thrift failures to SAIF.⁶ When the outlays for SAIF and RTC are viewed together, the variations are minimal. FRF experienced a smaller but still significant variation. These four accounts, BIF, RTC, SAIF, and FRF, constitute more than 95 percent of deposit insurance total outlays in 1994.

Both RTC and the Federal Deposit Insurance Corporation (FDIC) are responsible for the resolution of insolvent thrifts and banks, that is, selling the assets of failed institutions and settling all claims, including deposit guarantees of insured customers. The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 established RTC as a temporary agency charged with resolving failed thrifts. Since February 1989, thrift resolutions have been funded through RTC's revolving fund.⁷ FDIC administers the other bank and thrift deposit insurance activities through (1) BIF for banks, (2) FRF for resolution commitments stemming from thrifts which failed before January 1, 1989, and (3) SAIF, which is scheduled to take over the resolution of failed thrifts from RTC on July 1, 1995.

⁶The RTC Completion Act of 1993 extended RTC's resolution authority from September 30, 1993, to at least January 1, 1995, and no later than July 1, 1995, the exact date of which was to be determined by the chairperson of the Thrift Depositor Protection Oversight Board. On December 5, 1994, the chairperson made the determination that RTC would continue to resolve failed thrift institutions through June 30, 1995.

⁷Under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, SAIF currently has financial responsibility for all federally insured depository institutions that became members of SAIF after August 8, 1989, for which RTC does not have resolution authority, and all deposits insured by SAIF that are held by BIF-member banks, so called "Oakar" banks, created pursuant to the "Oakar amendment" provisions, section 5(d)(3) of the Federal Deposit Insurance Act.

Table 5: Deposit Insurance Estimates and Actual Results for Fiscal Year 1994

Dollars in billions

Deposit insurance component	Original estimate ^a	Revised estimate	Actual	Difference	
				Actual minus original	Percent of original
BIF	\$2.8	\$-6.8	\$-9.5	\$-12.3	-441.9
RTC	-4.3	3.5	4.1	8.4	195.0
SAIF	7.9	-1.1	-1.2	-9.1	-115.2
FRF	1.3	1.4	-0.7	-2.0	-153.0
NCUSIF ^b	-0.2	-0.3	-0.3	-0.1	-67.9
Total	\$7.5	\$-3.3	\$-7.6	\$-15.1	-201.0

Note: Small discrepancies may be due to rounding.

^aIncludes legislative proposals.

^bNational Credit Union Share Insurance Fund.

Source: Office of Management and Budget.

Bank Insurance Fund

Actual outlays for BIF were \$-9.5 billion, \$12.3 billion lower than the original estimate of \$2.8 billion. This difference resulted primarily from improved economic conditions. Declining interest rates reduced the number of bank failures and increased bank profitability. The original estimate of failed bank assets was revised downward from \$43.0 billion to \$10.2 billion. Actual failed assets were \$1.6 billion.

Resolution Trust Corporation and Savings Association Insurance Fund

RTC outlays were \$8.4 billion higher than originally estimated and SAIF outlays were \$9.1 billion less than originally estimated, as shown in table 5. These differences are largely a result of a change in timing. Therefore, combining the outlays for both RTC and SAIF represents a more accurate picture of the gap between estimates and actuals. When the original estimates for the 1994 budget were being developed, it was assumed that SAIF would be taking over the resolution of failed thrifts from RTC in the beginning of 1994. However, the passage of the RTC Completion Act in December 1993 effectively extended RTC's authority to resolve most thrifts through the first half of 1995. Combined actual outlays were \$0.6 billion less than the original estimate.

Federal Savings and Loan Insurance Corporation Resolution Fund

Actual outlays for FRF were \$-0.7 billion (153 percent) lower than the original estimate of \$1.3 billion. Outlays were less than anticipated both because FRF received more than expected from asset sales—due to the

improved economy—and because some 1994 outlays were unexpectedly delayed until 1995.

Outlays for Major Health Programs Were Overestimated

Although growth in expenditures for both Medicaid and Medicare, the two largest health care programs, continued to outpace inflation, actual outlays were less than originally estimated. Between 1993 and 1994, Medicaid outlays grew 8 percent and Medicare outlays grew 11 percent. However, for the second year in a row, Medicaid outlays were less than originally expected. In addition, the recent pattern of higher-than-estimated outlays for Medicare was reversed in 1994.

Medicaid

In 1994, Medicaid outlays were 10.8 percent less than the original estimate (\$82.0 billion versus \$92.0 billion). This repeats the 1993 experience when outlays were 10.2 percent lower than the original estimate (\$75.8 billion versus \$84.4 billion). The experience of 1993 and 1994 differs from that of the early 1990s when actual outlays were over 10 percent higher than originally estimated.

Table 6: Medicaid Estimates and Actual Results for Fiscal Year 1994

Component	Original estimate ^a	Revised estimate	Actual	Difference	
				Actual minus original	Percent of original
Medicaid	\$92.0	\$87.2	\$82.0	\$-9.9	-10.8

Note: Small discrepancies may be due to rounding.

^aIncludes legislative and investment proposals.

Source: Office of Management and Budget.

As in 1993, difficulty in anticipating state behavior was a key contributor to the difference between the original Medicaid estimate and the actual outlays for fiscal year 1994. Medicaid outlays rise and fall with state claims for federal Medicaid funds, which in 1994—like in 1993—were lower than expected. Although lower than expected state claims for the first half of the year led the Health Care Financing Administration (HCFA) to revise its outlay estimates downward by \$4.8 billion, as shown in table 6, actual outlays were an additional \$5.1 billion less than the revised estimate. The reasons for the decrease are not readily identifiable, but they appear to include factors ranging from recent federal legislation (see below), state efforts to control costs, and changes in the economy.

Estimating the impact of the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991 and OBRA 93 proved difficult. This legislation sought to limit actions states could take to increase the federal government's share of Medicaid costs by (1) restricting the use of provider specific taxes and donations as a source of state matching funds and (2) limiting disproportionate share payments to hospitals.⁸ HCFA originally underestimated the impact on state spending of this legislation. In addition, many states tried to lower costs by implementing managed care. The economy also influences medical spending; both medical price inflation and the number of beneficiaries were lower than expected.

The Medicaid program presents a major estimating challenge. Each state makes different program choices. Further, eligibility is hard to predict, benefits are not cash, implementation and financing are shared among multiple parties and levels of government, and interactions with other programs are complex.⁹ Also, estimators may use different assumptions to move from previous actuals to future estimates. For example, in fiscal year 1993, both OMB and CBO developed estimates for Medicaid using HCFA quarterly estimates of state Medicaid spending projections as a base. However, OMB and CBO made different assumptions about the increase in health care costs, number of beneficiaries, and program utilization rates and intensity to inflate HCFA data. Furthermore, OMB and CBO assessed the accuracy of state forecasts differently.¹⁰

Medicare

In 1994, the trend of underestimating Medicare outlays was reversed; actual outlays of \$162.5 billion were \$2.3 billion (1.4 percent) lower than the original estimate. Outlays for Medicare Part A¹¹—the Hospital Insurance component—were \$1.6 billion (1.5 percent) more than estimated. Outlays for Medicare Part B¹²—the Supplemental Medical Insurance component—more than offset the Part A increase with results \$3.8 billion (6 percent) lower than expected.

⁸For a further discussion of this legislation see Medicaid: States Use Illusory Approaches To Shift Program Costs to Federal Government (GAO/HEHS-94-133, August 1, 1994).

⁹For a fuller discussion of these program features and their influence on estimating, see Budget Policy: Issues in Capping Mandatory Spending (GAO/AIMD-94-155, July 18, 1994).

¹⁰Budget Issues: Compliance with the Budget Enforcement Act of 1990 (GAO/AFMD-93-38, November 23, 1992).

¹¹Medicare Part A funds hospital or related care for the elderly and disabled.

¹²Medicare Part B covers expenses for physicians and other medical services.

Table 7: Medicare Estimates and Actual Results for Fiscal Year 1994

Dollars in billions

Component	Original estimate ^a	Revised estimate	Actual	Difference	
				Actual minus original	Percent of original
Part A	\$101.2	\$102.9	\$102.8	\$1.6	1.5
Part B	63.6	58.3	59.7	-3.8	-6.0
Total	\$164.8	\$161.2	\$162.5	-\$2.3	-1.4

Note: Small discrepancies may be due to rounding.

^aIncludes legislative and investment proposals.

Source: Office of Management and Budget.

Part A 1994 outlays of \$102.8 billion were only 1.5 percent higher than the original estimate of \$101.2 billion. This is a significantly smaller gap than in the past when Part A outlays had been approximately 10 percent higher than estimates. The primary reason for the 1994 difference is that legislation provided less savings than anticipated in the original estimate.¹³ However, this slight increase masks offsetting differences within the components of Part A, specifically, differences between the original estimate and actual outlays for skilled nursing facilities (SNF) and home health care.

As in 1993, SNF costs exceeded estimates in 1994. In 1993, SNF outlays soared more than 75 percent above the original estimate; 1994 outlays of \$7.1 billion represented a 29 percent increase over the original estimate of \$5.5 billion. HCFA staff told us that they had assumed growth in SNF expenditures would slow in 1994.¹⁴ However, the actual rate of growth for SNF expenditures in 1994 was significantly higher than what HCFA assumed. Increases in SNF costs per day are primarily responsible for the increase in outlays.

Lower than expected Part A payments for home health care offset the SNF difference. In 1994, home health care outlays of \$12.0 billion were

¹³When the 1994 Part A outlay estimates were developed, HCFA assumed proposed legislation would save \$1.8 billion from the current services estimate of \$103.0 billion. However, only about one half of the anticipated savings were realized because (1) not all of the proposed legislation was enacted and (2) some of the savings associated with the legislation that was enacted were less than expected.

¹⁴In 1992 and 1993, SNFs grew rapidly due to increased awareness of the existing skilled nursing care benefit resulting from the enactment and subsequent repeal of the Medicare Catastrophic Coverage Act of 1988, which contained provisions expanding some of the program's benefits. *Budget Issues: Fiscal Year 1993 Budget Estimates and Actual Results* (GAO/AIMD-94-68, February 4, 1994).

\$1.6 billion (12 percent) less than the original estimate of \$13.6 billion. When HCFA was developing its 1994 estimate, home health care expenditures had been increasing rapidly. In 1993, home health care expenditures of \$9.5 billion were more than 37 percent higher than the original estimate of \$6.9 billion.¹⁵ Although HCFA assumed the growth in home health care expenditures would slow, the rate of increase slowed even more than anticipated.

Table 8: Skilled Nursing Facilities and Home Health Care Estimates and Actual Results for Fiscal Year 1994

Dollars in billions

Component	Original estimate	Actual	Difference	
			Actual minus original	Percent of original
SNF	\$5.5	\$7.1	\$1.6	29.1
Home Health Care	\$13.6	\$12.0	\$-1.6	-11.8

Source: Health Care Financing Administration.

Consistent with the 1993 experience, Part B outlays were less than expected in 1994. In 1993, Part B outlays were 11 percent less than the original estimate. In 1994, Part B outlays were 6.0 percent less than the original estimate. Most of this difference in 1994 was due to lower-than-expected physician payments caused by a continued, yet unanticipated, reduction in the volume of services performed by physicians. Although physician payments have been decreasing since the new physician fee schedule was implemented in 1992, HCFA staff suggested that this trend is temporary and they expect physician payments will soon experience rates of increase similar to those in the past.

Deficit Reduction and Lower-Than-Expected Interest Rates Reduced Debt Servicing Costs

Interest on the public debt totaled \$296.3 billion for fiscal year 1994, \$13.4 billion (4.3 percent) less than OMB's April 1993 estimate of \$309.7 billion. About \$1.5 billion of the decrease was the result of lower-than-expected borrowing for fiscal year 1994 and about \$11.9 billion was the result of lower-than-expected interest rates. The lower rates reduced both the costs of refinancing existing debt and the cost of new borrowing.

¹⁵This unanticipated growth in home health care was due to expanded coverage resulting from an out-of-court settlement of a 1989 lawsuit against HCFA. Budget Issues: Fiscal Year 1993 Budget Estimates and Actual Results (GAO/AIMD-94-68, February 4, 1994).

The refinancing of existing government debt influences the amount of interest expenditure more than the amount of new borrowing because the amount of refinanced debt in any given year is far greater than the current year's deficit. In fiscal year 1994, the government borrowed \$184.7 billion from the public to cover the deficit.¹⁶ However, the Treasury borrowed about \$2 trillion to refinance existing debt. Approximately half of the outstanding Treasury securities have a maturity of 5 years or less. This means that the Treasury has to refinance a substantial portion of existing debt every year. Although short-term borrowing should lower interest expenditures as opposed to long-term borrowing, it exposes the government to yearly interest rate fluctuations and causes interest expenditures to be heavily influenced by the prevailing interest rates in the current fiscal year.

The April 1993 estimate for interest on the public debt assumed higher interest rates than what actually occurred during the first half of fiscal year 1994. A majority of the debt was refinanced during this period in fiscal year 1994 with lower than anticipated interest rates. The rise in interest rates occurring in the latter part of fiscal year 1994 will not be fully reflected in interest payments until fiscal year 1995 when a large portion of the outstanding debt is refinanced under those higher rates.

Other Significant but Offsetting Outlay Variations

In addition to the accounts discussed above, there are many other accounts with significant differences between estimated and actual outlays. Of the 187 accounts constituting 95 percent of fiscal year 1994 gross outlays (see appendix II), including the accounts discussed previously, there were 28 accounts for which actual outlays were \$500 million or more lower than their original estimates, while 17 accounts had actual outlays exceed estimates by \$500 million or more. Some of the accounts not previously discussed that have significant differences are discussed below.

The Federal Family Education Loan (Guaranteed Student Loans) Liquidating Account was \$4.8 billion (272 percent) less than the original estimate. This decrease was due to an unanticipated and one-time event—the Student Loan Marketing Association prepaid its entire debt of \$4.7 billion in 1994.

¹⁶The federal government finances the deficit primarily through borrowing from the public. Other means of financing the deficit include changes in Treasury cash balances, revenue from the manufacture of coins, and net financing disbursements for direct and guaranteed loans.

A \$1.7 billion (less than 1 percent) decrease from the original estimate for Social Security's Old Age and Survivors Insurance Trust Fund¹⁷ and a \$1.1 billion (4 percent) decrease in Supplemental Security Income were the result of lower than expected inflation and an improved economy, which caused both benefit amounts and the number of beneficiaries to be less than expected.

Outlays for the Commodity Credit Corporation Fund for fiscal year 1994 were \$9.8 billion, \$1.7 billion (15 percent) below the original estimate. The April 1993 estimate was based on 1992 supply and demand estimates. The 1993 floods in the Midwest reduced corn production and thus reduced outlays for corn price supports, a primary explanation of the difference. This reduction in outlays was partially offset by an increase in 1993 crop disaster assistance in response to the same flood.¹⁸

Defense Business Operations Fund outlays were \$3.4 billion, \$5.8 billion (235 percent) more than the \$2.5 billion in negative outlays originally estimated. We have previously reported that accurate estimates for DBOF are difficult to develop because Department of Defense (DOD) lacks effective cash management practices, financial reporting, and cost accounting systems. For example, we reported that DBOF's fiscal year 1993 financial information on the results of operations differed by \$6.1 billion from the data used in preparing DBOF's budget.¹⁹ We also reported that an analysis of DOD budget documents disclosed that DOD's estimates of DBOF's operating results have been consistently overly optimistic.²⁰

Outlays for Disaster Relief for fiscal year 1994 were \$3.7 billion, \$2.4 billion (180 percent) above the original estimate. Greater than anticipated outlays for the Northridge earthquake and the midwestern floods were responsible for the increase in expenditures.

Payments Where Earned Income Credit Exceeds Liability for Taxes for fiscal year 1994 were \$10.9 billion, \$1.2 billion (12 percent) higher than the

¹⁷The Disability Insurance Trust Fund, the other component of Social Security, experienced a less significant decrease of \$600 million from the original estimate to actual outlays.

¹⁸The 1993 crop disaster program was not authorized until Public Law 103-75 was enacted on August 12, 1993.

¹⁹Financial Management: Status of the Defense Business Operations Fund (GAO/AIMD-94-80, March 9, 1994). See also Defense Business Operations Fund: Management Issues Challenge Fund Implementation (GAO/AIMD-95-79, March 1, 1995).

²⁰Defense Business Operations Fund: Improved Pricing Practices and Financial Reports Are Needed To Set Accurate Prices (GAO/AIMD-94-132, June 22, 1994).

original estimate. This difference largely resulted from the unanticipated increase in people with one or more children applying for the credit. In addition, the average credit was larger than originally anticipated.

Trend Analysis Highlights Revolving Fund Issues

Examining trends in estimation error can highlight potential problems. In the preceding analysis, we looked at accounts with large dollar differences between estimates and actuals in fiscal year 1994, observing similarities and differences in prior years' estimating experience with those accounts. In the following analysis, we examine those accounts with the largest percentage difference between revised estimates and actuals over the last 4 fiscal years. By using a percentage difference threshold, we have isolated those accounts with the greatest proportionate problems; by using revised estimates as the basis for comparison, we have both (a) eliminated the disparities reflecting the differences between proposed policies and those ultimately enacted and (b) isolated those accounts where estimation errors remained large even at midfiscal year.

In this analysis, we found that 46 accounts—listed in appendix III—had differences of over 10 percent between the revised estimates and actual outlays at least three times during fiscal years 1991 through 1994. Together these 46 accounts explained approximately 85 percent of the difference between the revised estimates and actual outlays over all 4 years. Over half of these—26 accounts—were revolving funds.

The nature of revolving fund accounts may help explain this apparent estimating problem. Revolving funds' net outlays are equal to gross outlays (i.e., the costs of providing the services) minus offsetting collections (the amount paid for the services). The funds' dependency on offsetting collections increases the sensitivity of the estimates to changes in external factors. For example, the estimates for the Bonneville Power Administration Fund are dependent on assumptions about both the supply of and demand for federal energy. Deviations from the assumed conditions (e.g., decreases in demand or a drought which decreases the ability to generate hydroelectric power) can lead to large shifts in the offsetting collections and thus to large percentage shifts in the net outlays. This may be the reason why 8 of the 10 accounts with the largest average absolute percentage difference were revolving funds. (See table 9.)

As shown in table 9, three of the eight revolving funds were credit reform liquidating accounts. Differences between revised estimates and actual outlays for these accounts may be due in part to the longstanding financial

system problems within agencies. We have reported ²¹ that in preparing estimates, agencies had to rely on information that has historically been incomplete and unreliable.

Table 9: Accounts With Largest Average Absolute Percentage Difference Between Revised Estimate and Actual Outlays

Dollars in billions

	Agency	Account	Account type	Actual 1994 gross outlays^a	Absolute average percent change
1	Department of Agriculture	Rural Electrification and Telephone Revolving Fund Liquidating Account	Revolving fund	\$3.0	432.06
2	Federal Emergency Management Agency	National Flood Insurance Fund	Revolving fund	0.7	314.87
3	Department of Health and Human Services	Program Management	Discretionary	2.1	202.75
4	Department of Housing and Urban Development	FHA Mutual Mortgage and Cooperative Housing Insurance Funds Liquidating Account	Revolving fund	4.4	145.47
5	Department of Energy	Uranium Supply and Enrichment Activities	Revolving fund ^b	1.5	140.34
6	Legislative Branch	Government Printing Office Revolving Fund	Revolving fund	0.9	134.10
7	Federal Deposit Insurance Corporation	Bank Insurance Fund	Revolving fund	3.2	118.04
8	Department of Defense	Defense Business Operations Fund	Revolving fund	81.2	103.37
9	Department of Labor	State Unemployment Insurance and Employment Service Operations	Discretionary	3.6	94.95
10	Department of Veterans Affairs	Loan Guaranty Revolving Fund Liquidating Account	Revolving fund	1.4	85.55

^aThese outlays are shown to provide perspective on the size of these accounts.

^bThis account is a merged account that includes the activities of the United States Enrichment Corporation.

After revolving funds, the second largest grouping was the seven discretionary accounts with activity in the National Defense function (050). As we have noted previously, differences between estimates and

²¹Federal Credit Programs: Agencies Had Serious Problems Meeting Credit Reform Accounting Requirements (GAO/AFMD-93-17, January 6, 1993).

actual outlays are not unusual for military accounts.²² Reprogramming agreements between congressional committees and DOD allow the shifting of funds within appropriations, and transfer authority allows the shifting of funds between appropriations. Second, since several of these accounts have operational links with DBOF—which itself shows up on the top ten accounts list—they were affected by DBOF's financial management difficulties. As we have previously stated in this report, accurate DBOF estimates are difficult to develop because DOD lacks effective cash management practices and accounting systems.

Observations

No truly large and daunting estimation differences existed in 1994, a result consistent with a budget world experiencing a stable economy and frozen discretionary spending. Most accounts controlled by discretionary budget limits did not—as they should not—vary significantly from estimates; economic assumptions that form the basis for estimates of receipts and of mandatory outlays were close to experience and resulted mainly in small estimate-to-actual differences. Furthermore, deposit insurance continued to fade both as a driver of the deficit and a source of estimate-to-actual volatility. In such a year, the more routine technical estimation difficulties emerge from the background.

Yet the experience of 1994 also underscores the sensitivity of budget outlays and receipts to changes in economic conditions. As we noted in our February 1994 report, economic forecasting is an enormously complex process involving multiple variables and estimates about future events. Because economic turning points are so difficult to anticipate, budget forecasts will be closer to reality when the economy is stable, as in 1994. Yet the difficulty of anticipating turning points applies not only to the aggregate economy but also to movements below the aggregate. For example, although 1994 receipt estimates proved nearly exactly right in total, this overall result masked large offsetting differences between corporate income-based receipts and wage-based receipts, a result in part of extremely rapid income growth in the corporate sector—for 2 years running—and the wage base's more sluggish response to overall economic growth. Such differences between estimates and actuals, although not affecting total receipts in 1994, bear watching as potential indicators of larger economic change and, ultimately, larger estimation problems.

²²Budget Issues: Fiscal Year 1993 Budget Estimates and Actual Results (GAO/AIMD-94-68, February 4, 1994).

In addition, our 4-year trend analysis revealed that certain accounts, primarily revolving funds, are prone to perennial technical problems in estimating net outlays. Further study would be necessary to assess the specific nature of these estimating problems. Although net outlays for revolving funds may be inherently difficult to forecast, improved financial management might help agencies gain better information on the operations of these programs and contribute to improved estimation. The issue of accurately forecasting net outlays for revolving funds will become more important if more of the government's business-type operations are moved to such a form of financial management, as has been proposed.

We are sending copies of this report to the Ranking Minority Member of your Committee and to the Chairman and Ranking Member of the Senate Committee on the Budget. We are also sending copies to the Chairmen and Ranking Members of the Senate Committees on Appropriations, on Governmental Affairs, and on Finance and to the Chairmen and Ranking Minority Members of the the House Committees on Appropriations, on Government Reform and Oversight, and on Ways and Means. Copies are also being provided to the Director of the Congressional Budget Office, The Secretary of the Treasury, and the Director of the Office of Management and Budget. Copies will be made available to others upon request.

Sincerely yours,

A handwritten signature in cursive script that reads "Susan J. Irving".

Susan J. Irving
Associate Director, Budget Issues

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Abbreviations

BIF	Bank Insurance Fund
CBO	Congressional Budget Office
CPI	Consumer Price Index
DBOF	Defense Business Operations Fund
DOD	Department of Defense
FDIC	Federal Deposit Insurance Corporation
FRF	Federal Savings and Loan Insurance Corporation Resolution Fund
GDP	Gross Domestic Product
HCFA	Health Care Financing Administration
HI	Hospital Insurance
MTS	<u>Monthly Treasury Statement of Receipts and Outlays of the United States Government</u>
NCUSIF	National Credit Union Share Insurance Fund
OBRA 93	Omnibus Budget Reconciliation Act of 1993
OMB	Office of Management and Budget
RTC	Resolution Trust Corporation
SAIF	Savings Association Insurance Fund
SNF	skilled nursing facilities

Calendar Year 1994 Economic Assumptions

	CBO ^a	OMB	Blue Chip ^b	Actual
Real Gross Domestic Product (percent change, 4th quarter over 4th quarter)				3.7
Early 1993	3.0	3.3	3.2	
Midyear 1993	2.7	3.0	2.7	
Early 1994	2.8	3.0	2.7	
Midyear 1994	3.6	3.0	3.1	
Consumer Price Index (percent change, 4th quarter over 4th quarter)				2.9
Early 1993	2.7	3.1	3.6	
Midyear 1993	3.1	3.3	3.4	
Early 1994	2.9	3.0	3.1	
Midyear 1994	2.8	2.9	2.8	
Unemployment rate (annual average)				6.1
Early 1993	6.6	6.4	6.5	
Midyear 1993	6.6	6.5	6.6	
Early 1994	6.4	6.4	6.4	
Midyear 1994	6.2	6.3	6.3	
Long-term interest rate				7.0
Early 1993	6.6	6.6	7.2	
Midyear 1993	6.1	5.9	6.3	
Early 1994	5.8	5.8	5.9	
Midyear 1994	6.8	6.8	6.8	
Short-term interest rate				4.25
Early 1993	3.7	4.3	4.2	
Midyear 1993	3.6	3.6	3.6	
Early 1994	3.5	3.4	3.4	
Midyear 1994	4.1	4.0	4.0	

^aThe CBO summer forecasts were used for the midyear 1994 estimate.

^bThe Blue Chip does not project a 10-year Treasury yield. The values shown are based on the Blue Chip estimates for the Aaa corporate bond rate adjusted to reflect the estimated spread between the Aaa bond and the 10-year Treasury rates.

Fiscal Year 1994 Net Outlays for Major Budget Accounts

Dollars in billions, in descending order of original estimates

	Account code	Agency	Account	Original	Revised	Actual
1	20-0550 ^a	Department of the Treasury	Other Interest on the Public Debt	309.7	298.5	296.3
2	20-8006	Social Security Administration	Federal Old-Age and Survivors Insurance Trust Fund	283.3	282.4	281.6
3	20-8005	Department of Health and Human Services	Federal Hospital Insurance Trust Fund	101.2	102.9	102.8
4	75-0512	Department of Health and Human Services	Grants to States for Medicaid	92.0	87.2	82.0
5	20-8004	Department of Health and Human Services	Federal Supplementary Medical Insurance Trust Fund	63.6	58.3	59.7
6	75-0580	Department of Health and Human Services	Payments to Health Care Trust Funds	46.6	40.4	40.6
7	20-8007	Social Security Administration	Federal Disability Insurance Trust Fund	37.4	38.1	38.0
8	24-8135	Office of Personnel Management	Civil Service Retirement and Disability Fund	36.1	36.2	36.4
9	20-8042	Department of Labor	Unemployment Trust Fund	30.9	31.0	30.4
10	75-0406	Department of Health and Human Services	Supplemental Security Income Program	27.3	26.7	26.3
11	97-8097	Department of Defense—Civil	Military Retirement Fund	26.8	26.5	26.7
12	12-3505 ^a	Department of Agriculture	Food Stamp Program	26.2	26.6	25.4
13	21-2010	Department of Defense—Military	Military Personnel, Army	21.3	21.6	22.5
14	17-1804	Department of Defense—Military	Operation and Maintenance, Navy	20.3	20.7	20.3
15	24-0200	Office of Personnel Management	Payment to Civil Service Retirement and Disability Fund	19.8	20.2	19.7
16	69-8083	Department of Transportation	Federal-Aid Highways	19.7	17.8	18.6
17	57-3400	Department of Defense—Military	Operation and Maintenance, Air Force	19.3	19.8	20.4
18	17-1453	Department of Defense—Military	Military Personnel, Navy	18.4	18.3	18.6
19	36-0102 ^a	Department of Veterans Affairs	Compensation and Pensions	18.3	18.8	18.6
20	21-2020	Department of Defense—Military	Operation and Maintenance, Army	16.7	17.6	17.8
21	75-1501	Department of Health and Human Services	Family Support Payments to States	16.0	16.4	16.5
22	57-3500	Department of Defense—Military	Military Personnel, Air Force	15.7	16.1	16.7
23	36-0160	Department of Veterans Affairs	Medical Care	15.5	15.3	15.1
24	86-0164	Department of Housing and Urban Development	Annual Contributions for Assisted Housing	14.1	14.0	15.1
25	57-3600	Department of Defense—Military	Research, Development, Test, and Evaluation, Air Force	13.6	12.2	12.5
26	11-8242	Funds Appropriated to the President	Foreign Military Sales Trust Fund	13.1	13.4	13.2
27	97-0040	Department of Defense—Civil	Payment to Military Retirement Fund	12.9	11.9	11.9

(continued)

**Appendix II
Fiscal Year 1994 Net Outlays for Major
Budget Accounts**

Dollars in billions, in descending order of original estimates

	Account code	Agency	Account	Original	Revised	Actual
28	12-4336	Department of Agriculture	Commodity Credit Corporation Fund	11.4	11.3	9.8
29	89-0220 ^a	Department of Energy	Atomic Energy Defense Activities	11.4	11.1	11.8
30	57-3010	Department of Defense—Military	Aircraft Procurement, Air Force	10.9	10.4	10.3
31	75-9915 ^a	Department of Health and Human Services	National Institutes of Health	9.9	10.3	10.2
32	97-0400	Department of Defense—Military	Research, Development, Test, and Evaluation, Defense-Wide	9.8	9.2	8.3
33	20-0906	Department of the Treasury	Payment Where Earned Income Credit Exceeds Liability for Tax	9.8	10.0	10.9
34	97-0100	Department of Defense—Military	Operation and Maintenance, Defense-Wide	9.4	9.3	9.1
35	17-1319	Department of Defense—Military	Research, Development, Test, and Evaluation, Navy	9.0	8.6	8.0
36	97-0130	Department of Defense—Military	Defense Health Program	9.0	9.0	9.2
37	17-1611	Department of Defense—Military	Shipbuilding and Conversion, Navy	8.8	9.0	9.1
38	57-3080	Department of Defense—Military	Other Procurement, Air Force	8.2	8.3	8.2
39	60-8010	Railroad Retirement Board	Railroad Social Security Equivalent Benefit Account	8.0	8.0	7.9
40	91-0200	Department of Education	Student Financial Assistance	7.9	7.4	7.1
41	12-3539	Department of Agriculture	State Child Nutrition Programs	7.5	7.2	7.0
42	80-0108	National Aeronautics and Space Administration	Research and Development	7.3	7.2	6.8
43	91-0900	Department of Education	Education for the Disadvantaged	6.9	6.9	6.8
44	17-1506	Department of Defense—Military	Aircraft Procurement, Navy	6.7	6.2	6.8
45	75-0404	Department of Health and Human Services	Payments to Social Security Trust Funds	6.5	5.8	5.7
46	17-1105	Department of Defense—Military	Military Personnel, Marine Corps	5.7	5.7	5.9
47	21-2040	Department of Defense—Military	Research, Development, Test, and Evaluation, Army	5.5	5.5	5.7
48	80-0105	National Aeronautics and Space Administration	Space Flight, Control, and Data Communications	5.2	4.7	4.9
49	17-1810	Department of Defense—Military	Other Procurement, Navy	5.1	5.0	5.7
50	57-3020	Department of Defense—Military	Weapons Procurement, Air Force	5.0	4.7	4.3
51	86-0162	Department of Housing and Urban Development	Community Development Grants	5.0	3.7	3.7
52	16-0174	Department of Labor	Training and Employment Services	4.9	4.5	4.4
53	75-1536	Department of Health and Human Services	Children and Families Services Programs	4.4	4.1	4.3
54	86-0194	Department of Housing and Urban Development	Assistance for the Renewal of Expiring Section 8 Subsidy Contracts	4.1	4.1	3.5
55	20-0913	Department of the Treasury	Tax Law Enforcement	4.0	4.0	3.9

(continued)

**Appendix II
Fiscal Year 1994 Net Outlays for Major
Budget Accounts**

Dollars in billions, in descending order of original estimates

	Account code	Agency	Account	Original	Revised	Actual
56	17-1507	Department of Defense--Military	Weapons Procurement, Navy	4.0	4.3	4.0
57	24-0206	Office of Personnel Management	Government Payment for Annuitants, Employees Health Benefits	3.9	3.9	3.9
58	11-1082	Funds Appropriated to the President	Foreign Military Financing Grants	3.6	4.1	4.0
59	91-0300	Department of Education	Special Education	3.5	3.6	3.0
60	60-0113	Railroad Retirement Board	Federal Payments to the Railroad Retirement Accounts	3.3	3.1	3.5
61	21-2060	Department of Defense--Military	National Guard Personnel, Army	3.3	3.4	3.4
62	12-3510	Department of Agriculture	Special Supplemental Food Program for Women, Infants, and Children	3.3	3.2	3.2
63	89-0224	Department of Energy	Energy Supply, R&D Activities	3.1	3.1	3.0
64	11-1037	Funds Appropriated to the President	Economic Support Fund	3.0	2.8	2.8
65	75-1545	Department of Health and Human Services	Payments to States for Foster Care and Adoption Assistance	3.0	3.0	3.0
66	60-8011	Railroad Retirement Board	Rail Industry Pension Fund	2.9	2.9	2.9
67	21-2035	Department of Defense--Military	Other Procurement, Army	2.9	2.8	3.1
68	75-1534	Department of Health and Human Services	Social Services Block Grant	2.8	2.9	2.7
69	51-4064	Federal Deposit Insurance Corporation	Bank Insurance Fund	2.8	-6.8	-9.5
70	20-0904	Department of the Treasury	Refunding Internal Revenue Collections, Interest	2.7	2.7	3.1
71	75-0350	Department of Health and Human Services	Health Resources and Services	2.7	2.6	2.5
72	57-3840	Department of Defense--Military	Operation and Maintenance, Air National Guard	2.6	2.6	2.6
73	68-0103	Environmental Protection Agency	Water Infrastructure Financing	2.6	2.4	2.0
74	16-0327	Department of Labor	Advances to the Unemployment Trust Fund and Other Funds	2.6	3.0	3.0
75	69-0201	Department of Transportation	Operating Expenses	2.5	2.6	2.5
76	86-0163	Department of Housing and Urban Development	Payments for Operation of Low Income Housing Projects	2.5	2.5	2.6
77	10-0920	The Judiciary	Salaries and Expenses	2.4	2.2	2.1
78	20-1851	Department of the Treasury	Payment to the Resolution Funding Corporation	2.3	2.3	2.3
79	69-1301	Department of Transportation	Operations	2.3	2.3	2.4
80	75-1362 ^a	Department of Health and Human Services	Substance Abuse and Mental Health Services	2.3	2.4	2.4
81	69-8104	Department of Transportation	Trust Fund Share of FAA Operations	2.3	2.3	2.2
82	91-0301	Department of Education	Rehabilitation Services and Disability Research	2.2	2.4	2.2

(continued)

**Appendix II
Fiscal Year 1994 Net Outlays for Major
Budget Accounts**

Dollars in billions, in descending order of original estimates

	Account code	Agency	Account	Original	Revised	Actual
83	21-2065	Department of Defense—Military	Operation and Maintenance, Army National Guard	2.2	2.2	2.2
84	19-0113	Department of State	Diplomatic and Consular Programs	2.2	1.8	1.8
85	49-0100	National Science Foundation	Research and Related Activities	2.1	2.1	2.0
86	69-8107	Department of Transportation	Facilities and Equipment	2.1	2.0	2.4
87	75-1502	Department of Health and Human Services	Low Income Home Energy Assistance	2.1	2.1	2.1
88	21-2070	Department of Defense—Military	Reserve Personnel, Army	2.1	2.1	2.1
89	91-0231	Department of Education	Federal Family Education Loan Program Account	2.0	2.5	2.7
90	97-0300	Department of Defense—Military	Procurement, Defense-Wide	2.0	1.9	1.8
91	15-0200	Department of Justice	Salaries and Expenses	1.9	2.0	2.1
92	15-1060	Department of Justice	Salaries and Expenses	1.9	1.9	1.9
93	69-8106	Department of Transportation	Grants-in-Aid for Airports	1.9	1.9	1.6
94	17-1106	Department of Defense—Military	Operation and Maintenance, Marine Corps	1.8	1.8	1.9
95	12-3319	Department of Agriculture	Conservation Reserve Program	1.8	1.8	1.7
96	91-1000	Department of Education	School Improvement Programs	1.8	1.6	1.5
97	75-0943	Department of Health and Human Services	Disease Control, Research, and Training	1.8	1.7	1.6
98	91-0230	Department of Education	Federal Family Education Loan Liquidating Account	1.8	-0.6	-3.0
99	20-0912	Department of the Treasury	Processing Tax Returns and Assistance	1.7	1.7	1.8
100	21-2031	Department of Defense—Military	Aircraft Procurement, Army	1.7	1.7	1.7
101	80-0103	National Aeronautics and Space Administration	Research and Program Management	1.7	1.7	1.7
102	13-1450	Department of Commerce	Operations, Research, and Facilities	1.7	1.7	1.7
103	20-8145	Environmental Protection Agency	Hazardous Substance Superfund	1.6	1.6	1.5
104	18-4020	Postal Service	Postal Service Fund	1.6	1.7	1.1
105	75-0390	Department of Health and Human Services	Indian Health Services	1.6	1.6	1.5
106	97-0350	Department of Defense—Military	National Guard and Reserve Equipment	1.5	1.4	2.0
107	17-1405	Department of Defense—Military	Reserve Personnel, Navy	1.5	1.5	1.6
108	89-0222	Department of Energy	General Science and Research Activities	1.5	1.6	1.3
109	20-0919	Department of the Treasury	Information Systems	1.5	1.5	1.3
110	20-0602	Department of the Treasury	Salaries and Expenses	1.5	1.5	1.6
111	69-8191	Department of Transportation	Discretionary Grants	1.5	1.4	1.7

(continued)

**Appendix II
Fiscal Year 1994 Net Outlays for Major
Budget Accounts**

Dollars in billions, in descending order of original estimates

	Account code	Agency	Account	Original	Revised	Actual
112	14-2100	Department of the Interior	Operation of Indian Programs	1.4	1.4	1.4
113	91-0400	Department of Education	Vocational and Adult Education	1.4	1.3	1.3
114	21-2033	Department of Defense—Military	Procurement of Weapons and Tracked Combat Vehicles, Army	1.4	1.5	1.0
115	68-0108	Environmental Protection Agency	Abatement, Control, and Compliance	1.4	1.3	1.3
116	21-2032	Department of Defense—Military	Missile Procurement, Army	1.4	1.3	1.4
117	11-1021	Funds Appropriated to the President	Functional Development Assistance Program	1.3	1.3	1.5
118	21-0702	Department of Defense—Military	Family Housing, Army	1.3	1.3	1.3
119	58-0104	Federal Emergency Management Agency	Disaster Relief	1.3	2.0	3.7
120	12-1106	Department of Agriculture	National Forest System	1.3	1.5	1.3
121	51-4065	Federal Deposit Insurance Corporation	FSLIC Resolution Fund	1.3	1.4	-0.7
122	57-3740	Department of Defense—Military	Operation and Maintenance, Air Force Reserve	1.3	1.3	1.3
123	21-2034	Department of Defense—Military	Procurement of Ammunition, Army	1.2	1.0	1.0
124	36-8132	Department of Veterans Affairs	National Service Life Insurance Fund	1.2	1.2	1.2
125	69-8350	Department of Transportation	Trust Fund Share of Expenses	1.2	1.7	1.7
126	96-3123	Department of Defense—Civil	Operation and Maintenance, General	1.2	1.3	1.2
127	57-3850	Department of Defense—Military	National Guard Personnel, Air Force	1.2	1.2	1.3
128	36-0137	Department of Veterans Affairs	Readjustment Benefits	1.2	1.2	1.1
129	12-2278	Department of Agriculture	P.L. 480 Grants - Titles I, II, and III	1.2	1.3	1.3
130	97-0103	Department of Defense—Military	Base Realignment and Closure Account	1.2	1.3	1.7
131	96-3122	Department of Defense—Civil	Construction, General	1.2	1.3	1.0
132	14-1036	Department of the Interior	Operation of the National Park System	1.1	1.0	1.0
133	17-0703	Department of Defense—Military	Family Housing, Navy and Marine Corps	1.1	0.9	0.8
134	57-0704	Department of Defense—Military	Family Housing, Air Force	1.1	1.1	1.1
135	57-3300	Department of Defense—Military	Military Construction, Air Force	1.1	0.9	1.0
136	11-0073	Funds Appropriated to the President	Contribution to the International Development Association	1.1	0.9	0.9
137	21-2080	Department of Defense—Military	Operation and Maintenance, Army Reserve	1.1	1.0	1.0
138	12-2081	Department of Agriculture	Rural Housing Insurance Fund Program Account	1.1	1.1	1.0
139	97-0131	Department of Defense—Military	Real Property Maintenance, Defense	1.1	1.0	1.0
140	75-1515	Department of Health and Human Services	Payments to States for Child Care Assistance	1.0	1.0	0.8

(continued)

**Appendix II
Fiscal Year 1994 Net Outlays for Major
Budget Accounts**

Dollars in billions, in descending order of original estimates

Account code	Agency	Account	Original	Revised	Actual	
141	20-8144	Department of Labor	Black Lung Disability Trust Fund	1.0	1.0	1.0
142	64-4110	Tennessee Valley Authority	Tennessee Valley Authority Fund	1.0	0.9	1.2
143	19-1126	Department of State	Contributions to International Organizations	1.0	0.9	0.8
144	15-1217	Department of Justice	Salaries and Expenses	1.0	1.1	1.0
145	68-0200	Environmental Protection Agency	Program and Research Operations	0.9	0.9	0.9
146	86-0205	Department of Housing and Urban Development	Home Investment Partnerships Program	0.9	0.9	0.8
147	91-0201	Department of Education	Higher Education	0.8	0.9	0.8
148	17-1205	Department of Defense—Military	Military Construction, Navy	0.8	0.7	0.6
149	15-0322	Department of Justice	Salaries and Expenses, United States Attorneys	0.8	0.8	0.8
150	36-0151	Department of Veterans Affairs	General Operating Expenses	0.8	0.8	0.8
151	69-1129	Department of Transportation	Formula Grants	0.8	0.3	0.2
152	21-2050	Department of Defense—Military	Military Construction, Army	0.8	0.7	0.7
153	91-0102	Department of Education	Impact Aid	0.7	1.0	0.8
154	75-9911 ^a	Department of Health and Human Services	Salaries and Expenses	0.7	0.9	0.8
155	47-4542	General Services Administration	Federal Buildings Fund	0.7	0.8	0.2
156	12-4085	Department of Agriculture	Federal Crop Insurance Corporation Fund	0.6	0.7	1.0
157	15-0401	Department of Justice	Justice Assistance	0.6	0.8	0.7
158	19-1124	Department of State	Contributions for International Peacekeeping Activities	0.5	1.1	1.0
159	12-4141	Department of Agriculture	Rural Housing Insurance Fund Liquidating Account	0.5	0.4	0.1
160	86-4072	Department of Housing and Urban Development	FHA General and Special Risk Insurance Funds Liquidating Account	0.5	0.0	-0.3
161	86-0143	Department of Housing and Urban Development	Salaries and Expenses, Including Transfer of Funds	0.5	0.4	0.5
162	12-4155	Department of Agriculture	Rural Development Insurance Fund Liquidating Account	0.4	0.4	0.3
163	75-0511	Department of Health and Human Services	Program Management	0.4	0.0	0.0
164	16-1521	Department of Labor	Special Benefits	0.2	0.2	0.1
165	36-4025	Department of Veterans Affairs	Loan Guaranty Revolving Fund Liquidating Account	0.2	0.1	-0.1
166	17-4557	Department of Defense—Military	National Defense Sealift Fund	0.2	0.1	0.4
167	16-0179	Department of Labor	State Unemployment Insurance and Employment Service Operations	0.1	0.0	0.2
168	89-4045	Department of Energy	Bonneville Power Administration Fund	0.0	0.1	0.2

(continued)

**Appendix II
Fiscal Year 1994 Net Outlays for Major
Budget Accounts**

Dollars in billions, in descending order of original estimates

	Account code	Agency	Account	Original	Revised	Actual
169	04-4505	Legislative Branch	Government Printing Office Revolving Fund	0.0	0.0	0.0
170	86-4115	Department of Housing and Urban Development	Housing for the Elderly or Handicapped Fund Liquidating Account	0.0	0.1	0.0
171	47-4548	General Services Administration	Information Technology Fund	0.0	0.1	0.0
172	21-4528	Department of Defense—Military	Army Conventional Ammunition Working Capital Fund	0.0	0.0	0.1
173	96-4902	Department of Defense—Civil	Revolving Fund	0.0	0.0	-0.1
174	20-4521	Department of the Treasury	Federal Financing Bank	0.0	0.0	0.0
175	47-4530	General Services Administration	General Supply Fund	0.0	0.0	0.0
176	75-9941 ^a	Department of Health and Human Services	Service, Supply, and Other Funds	0.0	0.0	0.0
177	58-4236	Federal Emergency Management Agency	National Flood Insurance Fund	0.0	0.1	-0.1
178	24-9981 ^a	Office of Personnel Management	Employees and Retired Employees Health Benefits Fund	-0.2	-1.0	-0.7
179	86-4070	Department of Housing and Urban Development	FHA Mutual Mortgage and Cooperative Housing Insurance Funds Liquidating Account	-0.3	-1.5	-0.2
180	12-4140	Department of Agriculture	Agricultural Credit Insurance Fund Liquidating Account	-0.4	-0.1	-0.2
181	89-0226 ^a	Department of Energy	Uranium Supply and Enrichment Activities	-0.4	0.1	0.1
182	86-4238	Department of Housing and Urban Development	Guarantees of Mortgage-Backed Securities Liquidating Account	-0.5	-0.6	-0.5
183	12-4230	Department of Agriculture	Rural Electrification and Telephone Revolving Fund Liquidating Account	-0.9	-0.6	-0.7
184	24-8424	Office of Personnel Management	Employees Life Insurance Fund	-1.0	-1.1	-1.1
185	20-4444	Department of the Treasury	Exchange Stabilization Fund	-1.1	-0.9	-1.3
186	97-4930 ^a	Department of Defense—Military	Defense Business Operations Fund	-2.5	3.3	3.4
187	22-4055	Resolution Trust Corporation	RTC Revolving Fund	-4.3	3.5	4.1

^aRepresents a combination of accounts to ensure comparability (1) between original and/or revised estimates and actual outlays or (2) between fiscal year 1994 outlays and prior year outlays.

Accounts With More Than a 10-Percent Difference Between Revised Estimates and Actual Outlays at Least Three Times From FY 1991 Through FY 1994

Dollars in billions, sorted in descending order of absolute average percentage change.

	Agency	Account	Account type
1	Department of Agriculture	Rural Electrification and Telephone Revolving Fund Liquidating Account	Revolving fund
2	Federal Emergency Management Agency	National Flood Insurance Fund	Revolving fund
3	Department of Health and Human Services	Program Management	Discretionary
4	Department of Housing and Urban Development	FHA Mutual Mortgage and Cooperative Housing Insurance Funds Liquidating Account	Revolving fund
5	Department of Energy	Uranium Supply and Enrichment Activities	Revolving fund ^b
6	Legislative Branch	Government Printing Office Revolving Fund	Revolving fund
7	Federal Deposit Insurance Corporation	Bank Insurance Fund	Revolving fund
8	Department of Defense—Military	Defense Business Operations Fund	Revolving fund
9	Department of Labor	State Unemployment Insurance and Employment Service Operations	Discretionary
10	Department of Veterans Affairs	Loan Guaranty Revolving Fund Liquidating Account	Revolving fund
11	Resolution Trust Corporation	RTC Revolving Fund	Revolving fund
12	Department of Energy	Bonneville Power Administration Fund	Revolving fund
13	Tennessee Valley Authority	Tennessee Valley Authority Fund	Revolving fund
14	Department of Education	Federal Family Education Loan Liquidating Account	Mandatory
15	General Services Administration	Federal Buildings Fund	Revolving fund
16	Export-Import Bank of the United States	Export-Import Bank of the United States Liquidating Account	Revolving fund
17	General Services Administration	Information Technology Fund	Revolving fund
18	Department of Housing and Urban Development	Housing for the Elderly or Handicapped Fund Liquidating Account	Revolving fund

**Appendix III
Accounts With More Than a 10-Percent
Difference Between Revised Estimates and
Actual Outlays at Least Three Times From
FY 1991 Through FY 1994**

Account code	1991		1992		1993		1994	
	Actual net outlays	Percent change						
12-4230	a	a	-1.0	-271.2	-1.4	145.2	-0.7	27.7
58-4236	-0.2	341.0	-0.1	-31.6	0.5	-3525.9	-0.1	-176.0
75-0511	0.1	120.8	-0.1	-59.4	0.1	-49.6	0.0	-139.8
86-4070	a	a	0.9	-603.1	0.2	-191.5	-0.2	-83.1
89-0226 ^c	-0.1	11.3	-0.3	40.1	-0.4	284.1	0.1	-17.4
04-4505	0.0	187.5	0.0	132.0	0.0	-2714.1	0.0	163.4
51-4064	7.4	-53.6	3.7	-88.9	-9.8	-345.3	-9.5	39.0
97-4930 ^c	-1.9	-427.1	3.2	-43.0	-4.9	71.9	3.4	0.4
16-0179	0.0	-199.7	0.0	-259.6	0.0	-1.3	0.2	616.7
36-4025	a	a	0.1	-72.2	0.1	-71.4	-0.1	-165.5
22-4055	50.7	-40.0	-9.0	-122.1	-19.2	386.9	4.1	16.6
89-4045	-0.4	81.5	0.4	-4604.5	0.6	4.7	0.2	118.6
64-4110	0.0	-139.5	1.5	295.1	1.6	19.4	1.2	32.6
91-0230	a	a	1.5	-20.4	3.2	16.5	-3.0	447.5
47-4542	0.3	-58.0	0.3	-7.4	0.6	-46.3	0.2	-81.3
83-4027	a	a	-0.2	-155.9	-1.0	-24.2	-1.0	49.7
47-4548	0.1	38.4	0.0	-89.8	0.0	-77.6	0.0	-80.5
86-4115	a	a	0.5	-25.5	0.1	-55.3	0.0	-118.0

(continued)

**Appendix III
Accounts With More Than a 10-Percent
Difference Between Revised Estimates and
Actual Outlays at Least Three Times From
FY 1991 Through FY 1994**

Dollars in billions, sorted in descending order of absolute average percentage change.

	Agency	Account	Account type
19	Department of Housing and Urban Development	FHA General and Special Risk Insurance Funds Liquidating Account	Revolving fund
20	Department of Health and Human Services	Payments to States for Child Care Assistance	Discretionary
21	Department of Agriculture	Rural Housing Insurance Fund Liquidating Account	Revolving fund
22	Department of the Treasury	Exchange Stabilization Fund	Revolving fund
23	Department of Agriculture	Commodity Credit Corporation Guaranteed Loans Liquidating Account	Revolving fund
24	Office of Personnel Management	Employees and Retired Employees Health Benefits Fund	Revolving fund
25	Funds Appropriated to the President	Functional Development Assistance Program	Discretionary
26	Federal Emergency Management Agency	Disaster Relief	Discretionary
27	Federal Deposit Insurance Corporation	FSLIC Resolution Fund	Revolving fund
28	Department of Labor	Pension Benefit Guaranty Corporation Fund	Revolving fund
29	Department of Housing and Urban Development	Home Investment Partnerships Program	Discretionary
30	Department of Defense—Military	National Guard and Reserve Equipment	Discretionary
31	Department of Agriculture	Rural Development Insurance Fund Liquidating Account	Revolving fund
32	Department of Defense—Military	Military Construction, Navy	Discretionary
33	Department of Labor	Special Benefits	Mandatory
34	Department of Justice	Justice Assistance	Discretionary
35	Department of Defense—Military	Other Procurement, Army	Discretionary
36	Department of Housing and Urban Development	Assistance for the Renewal of Expiring Section 8 Subsidy Contracts	Discretionary
37	Department of Defense—Military	Other Procurement, Navy	Discretionary
38	Department of Defense—Military	Base Realignment and Closure Account	Discretionary

**Appendix III
Accounts With More Than a 10-Percent
Difference Between Revised Estimates and
Actual Outlays at Least Three Times From
FY 1991 Through FY 1994**

Account code	1991		1992		1993		1994	
	Actual net outlays	Percent change						
86-4072	a	a	1.1	21.8	0.3	-68.6	-0.3	-3287.0
75-1515	0.0	-100.0	0.0	-100.0	0.4	-0.4	0.8	-19.8
12-4141	a	a	1.3	-18.9	0.2	-67.5	0.1	-73.0
20-4444	-2.2	22.5	-2.3	46.6	-1.4	37.9	-1.3	43.4
12-4338	a	a	0.5	-46.0	0.5	-49.8	0.5	19.7
24-9981 ^c	-0.9	11.0	-0.4	24.3	-0.9	498.2	-0.7	-32.3
11-1021	1.6	46.4	1.4	27.2	1.5	15.3	1.5	17.6
58-0104	0.6	-32.9	0.9	36.7	2.3	-9.9	3.7	85.0
51-4065	8.6	-22.7	8.5	20.6	2.4	-38.4	-0.7	-151.6
16-4204	-0.8	30.1	-0.7	33.3	-1.5	91.2	-0.4	-57.5
86-0205	0.0	-100.0	0.0	-90.9	0.2	-23.7	0.8	-10.7
97-0350	1.3	12.1	1.6	15.4	1.7	-2.4	2.0	42.7
12-4155	a	a	0.7	-10.6	0.5	-15.4	0.3	-26.5
17-1205	0.8	-25.2	1.0	5.0	0.9	-15.5	0.6	-21.5
16-1521	0.2	-14.0	0.2	16.7	0.2	-16.6	0.1	-37.1
15-0401	0.5	-18.2	0.6	14.8	0.6	-18.6	0.7	-22.6
21-2035	4.8	12.1	3.8	9.4	3.9	19.4	3.1	11.4
86-0194	0.4	-32.5	1.5	19.5	2.5	-17.8	3.5	-15.2
17-1810	6.2	16.2	6.1	11.1	6.4	6.2	5.7	13.7
97-0103	0.2	-7.4	0.4	-33.6	0.8	19.7	1.7	28.1

(continued)

**Appendix III
 Accounts With More Than a 10-Percent
 Difference Between Revised Estimates and
 Actual Outlays at Least Three Times From
 FY 1991 Through FY 1994**

Dollars in billions, sorted in descending order of absolute average percentage change.

	Agency	Account	Account type
39	Department of the Treasury	Refunding Internal Revenue Collections, Interest	Mandatory
40	Department of Defense—Military	Procurement of Weapons and Tracked Combat Vehicles, Army	Discretionary
41	Department of Defense—Military	Military Construction, Air Force	Discretionary
42	Department of Housing and Urban Development	Guarantees of Mortgage-Backed Securities Liquidating Account	Revolving fund
43	Postal Service	Postal Service Fund	Revolving fund
44	Department of Agriculture	Federal Crop Insurance Corporation Fund	Revolving fund
45	Department of Education	School Improvement Programs	Discretionary
46	Department of Defense—Civil	Construction, General	Discretionary

**Appendix III
Accounts With More Than a 10-Percent
Difference Between Revised Estimates and
Actual Outlays at Least Three Times From
FY 1991 Through FY 1994**

Account code	1991		1992		1993		1994	
	Actual net outlays	Percent change						
20-0904	2.8	24.6	3.3	23.9	2.1	-18.0	3.1	14.5
21-2033	2.5	-9.4	2.2	-17.5	2.1	16.5	1.0	-33.0
57-3300	0.8	-27.6	0.9	21.0	0.9	-19.2	1.0	4.1
86-4238	^a	^a	-0.4	25.8	-0.5	26.4	-0.5	-13.9
18-4020	1.3	2137.8	0.7	-20.1	1.4	-11.4	1.1	-36.9
12-4085	0.5	-11.4	0.6	7.9	0.1	-73.4	1.0	38.8
91-1000	1.4	-11.4	1.5	-12.7	2.0	18.5	1.5	-11.3
96-3122	1.1	22.3	1.2	33.9	1.0	-7.5	1.0	-26.8

^aAccount created as a result of the Credit Reform Act of 1990. Pre-1992 data are either nonexistent or not comparable. Therefore, no 1991 data are shown.

^bThis account includes the activities of the United States Enrichment Corporation.

^cRepresents a combination of accounts to ensure comparability between fiscal years.

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